HOUSE FILE 2136 BY WILLS

## A BILL FOR

- 1 An Act relating to the state school foundation program and
- 2 the calculation of minimum state foundation aid for school
- 3 districts and including applicability provisions.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 257.1, subsection 2, paragraph a, Code
2 2022, is amended to read as follows:

a. For a budget year, each school district in the state 3 4 is entitled to receive foundation aid<sub>7</sub> in an amount per 5 pupil equal to the difference between the amount per pupil of 6 foundation property tax in the district  $\tau$  otherwise determined 7 under section 257.3 and the combined foundation base per pupil 8 or the combined district cost per pupil, whichever is less for 9 the district. However, if the amount of foundation aid to 10 be received by a school district under this chapter is less 11 than three hundred dollars per pupil the state foundation aid 12 minimum for the district, the district is entitled to receive 13 three hundred dollars per pupil unless the receipt of three 14 hundred dollars per pupil plus the per pupil amount raised by 15 the foundation property tax exceeds the combined district cost 16 per pupil of the district for the budget year state foundation 17 aid in an amount equal to the state foundation aid minimum. 18 In that case, the district is entitled to receive an amount 19 per pupil equal to the difference between the per pupil amount 20 raised by the foundation property tax for the budget year and 21 the combined district cost per pupil for the budget year. If 22 the sum of the amount of foundation aid received by a school 23 district plus the amount of foundation property tax in the 24 district otherwise determined under section 257.3 exceeds the 25 combined foundation base, the department of management shall 26 reduce the district's foundation property tax to be collected 27 under section 257.3, subsection 1, paragraph "a", or under 28 section 257.3, subsection 2, as applicable, by the amount by 29 which such sum exceeds the combined foundation base and adjust 30 the district's foundation property tax rate accordingly. For 31 purposes of this paragraph, "state foundation aid minimum" means 32 the sum of the total teacher salary supplement district cost, 33 the total professional development supplement district cost, 34 the total early intervention supplement district cost, and the 35 total teacher leadership supplement district cost.

LSB 6000YH (4) 89

md/jh

Sec. 2. Section 257.2, subsection 4, Code 2022, is amended
 by striking the subsection.
 Sec. 3. Section 257.10, subsection 5, Code 2022, is amended
 by striking the subsection.
 Sec. 4. APPLICABILITY. This Act applies to school budget
 gears beginning on or after July 1, 2023.
 The inclusion of this explanation does not constitute agreement with
 the explanation's substance by the members of the general assembly.

10 Code section 257.1 provides that for a budget year, each 11 school district in the state is entitled to receive foundation 12 aid in an amount per pupil equal to the difference between the 13 amount per pupil of foundation property tax in the district 14 and the combined foundation base per pupil or the combined 15 district cost per pupil, whichever is less, and subject to a 16 \$300 per pupil minimum unless the receipt of \$300 per pupil 17 plus the per pupil amount raised by the foundation property tax 18 exceeds the combined district cost per pupil of the district 19 for the budget year, in which case the district gets an amount 20 per pupil equal to the difference. The "combined foundation 21 base" is defined as the sum of the regular program foundation 22 base, the special education support services foundation base, 23 the total teacher salary supplement district cost, the total 24 professional development supplement district cost, the total 25 early intervention supplement district cost, the total teacher 26 leadership supplement district cost, the total area education 27 agency teacher salary supplement district cost, and the total 28 area education agency professional development supplement 29 district cost.

This bill modifies the calculation of foundation aid to he an amount equal to the difference between the amount of foundation property tax in the district and the combined foundation base for the district. However, if the amount of foundation aid to be received by a school district is less than the state foundation aid minimum for the district, the district

-2-

LSB 6000YH (4) 89 md/jh

2/3

## H.F. 2136

1 is entitled to receive state foundation aid in an amount equal 2 to the state foundation aid minimum. "State foundation aid 3 minimum" means the sum of the total teacher salary supplement 4 district cost, the total professional development supplement 5 district cost, the total early intervention supplement district 6 cost, and the total teacher leadership supplement district 7 cost. Additionally, if the sum of the amount of foundation aid 8 received by a school district plus the amount of foundation 9 property tax in the district otherwise determined under 10 Code section 257.3 exceeds the combined foundation base, the 11 department of management is required to reduce the district's 12 foundation property tax to be collected by the amount by which 13 such sum exceeds the combined foundation base and adjust the 14 district's foundation property tax rate accordingly. The bill also strikes definitions made obsolete by the bill. 15

16 The bill applies to school budget years beginning on or after 17 July 1, 2023.

-3-